

109TH CONGRESS  
1ST SESSION

# H. R. 3733

To amend the Internal Revenue Code of 1986 to allow individuals who are victims of Hurricane Katrina to withdraw funds without penalty from their individual retirement accounts and certain other retirement plans.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2005

Mr. DAVIS of Alabama introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow individuals who are victims of Hurricane Katrina to withdraw funds without penalty from their individual retirement accounts and certain other retirement plans.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Emergency Savings  
5       Relief Act of 2005”.

1 **SEC. 2. PENALTY-FREE WITHDRAWALS FROM IRA'S AND**  
2 **CERTAIN OTHER RETIREMENT PLANS FOR**  
3 **VICTIMS OF HURRICANE KATRINA.**

4 (a) IN GENERAL.—Paragraph (2) of section 72(t) of  
5 the Internal Revenue Code of 1986 (relating to 10-percent  
6 additional tax on early distributions from qualified retire-  
7 ment plans) is amended by adding at the end the following  
8 new subparagraph:

9 “(G) DISTRIBUTIONS FROM IRA’S AND  
10 CERTAIN OTHER RETIREMENT PLANS TO VIC-  
11 TIMS OF HURRICANE KATRINA.—

12 “(i) IN GENERAL.—Any qualified  
13 Katrina-relief distribution.

14 “(ii) QUALIFIED KATRINA-RELIEF  
15 DISTRIBUTION.—For purposes of this sub-  
16 paragraph, the term ‘qualified Katrina-re-  
17 lief distribution’ means any distribution to  
18 an individual if—

19 “(I) such distribution is from an  
20 individual retirement plan of such in-  
21 dividual or from amounts attributable  
22 to employer contributions made pur-  
23 suant to elective deferrals described in  
24 subparagraph (A) or (C) of section  
25 402(g)(3) or section  
26 501(c)(18)(D)(iii) by such individual,

1                   “(II) such individual encounters  
2                   hardship by reason of Hurricane  
3                   Katrina, and

4                   “(III) such distribution is made  
5                   after August 24, 2005, and before the  
6                   close of the 6-month period beginning  
7                   on the date of the enactment of this  
8                   subparagraph.

9                   “(iii) AMOUNT DISTRIBUTED MAY BE  
10                  REPAID.—Any individual who receives a  
11                  qualified Katrina-relief distribution may, at  
12                  any time during the 5-year period begin-  
13                  ning on the day after the date on which  
14                  such distribution was made, make one or  
15                  more contributions to an individual retire-  
16                  ment plan of such individual in an aggre-  
17                  gate amount not to exceed the amount of  
18                  such distribution. The dollar limitations  
19                  otherwise applicable to contributions to in-  
20                  dividual retirement plans shall not apply to  
21                  any contribution made pursuant to the  
22                  preceding sentence. No deduction shall be  
23                  allowed for any contribution pursuant to  
24                  this clause.”.

1       (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to distributions received after Au-  
3 gust 24, 2005, in taxable years ending after such date.

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